Air Force Medical Service Agency

Integrity - Service - Excellence

Now, Getting it Built
AFMS Construction Contracts

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29 July 2004

Major Allison Keck
Construction & Transition Branch
AF Health Facilities Division

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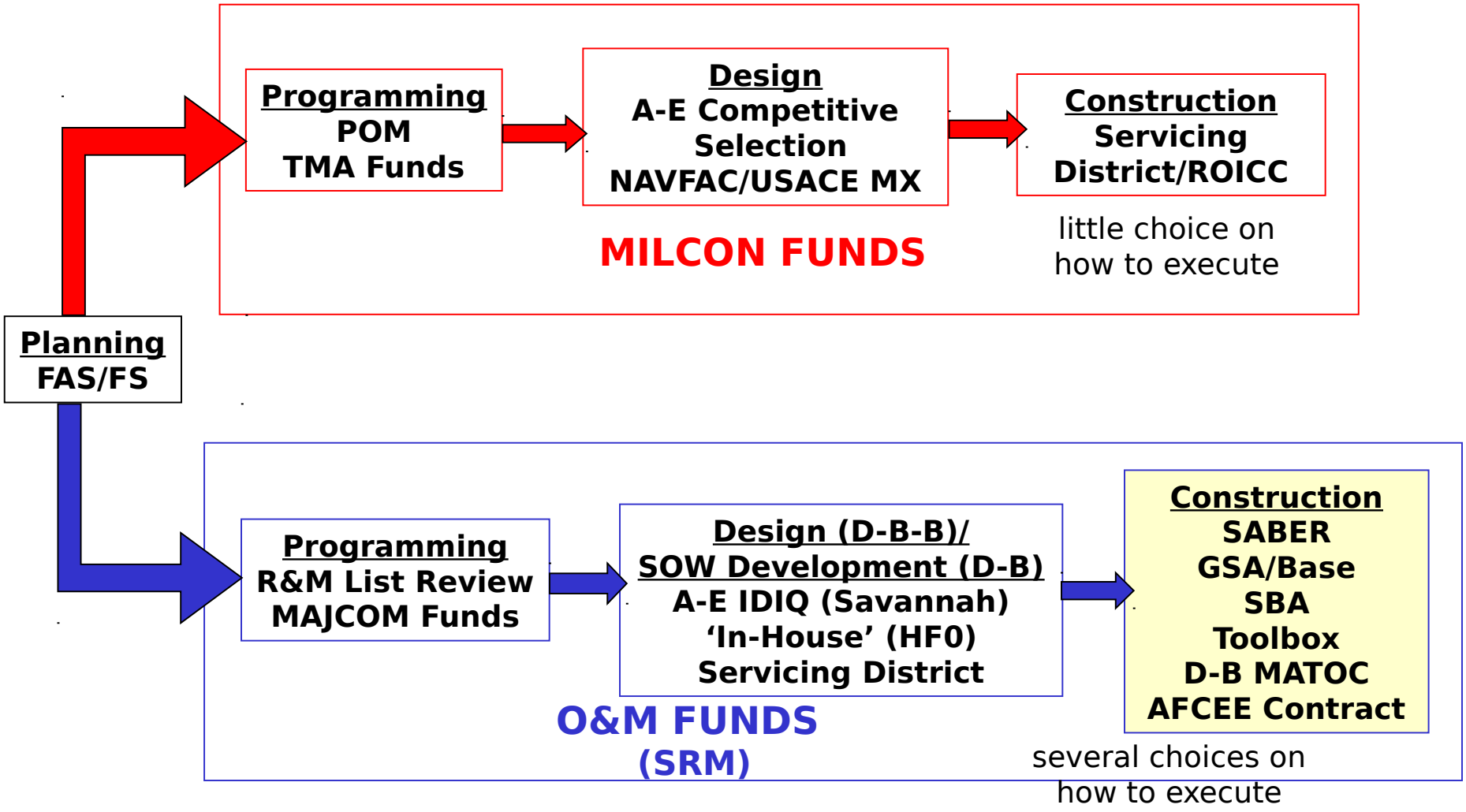
Overview

- Project Execution
- Construction Contracts - Options
- AFMS Design-Build MATOC

Project Execution



O&M Construction Contracts: "Packaged Environments" (SIN 7125)

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- Contracting Office: GSA/Base Contracting
  - National Furniture Center (D.C.)
- Contractors: choice of 12
  - we're promoting more…
- Scope of Contract:
  - interior design + light *renovation* + PM/QC
  - $100K to $5M interior upgrade projects
- Project Team: GSA/Base, MDG, MAJCOM, HFO

O&M Construction Contracts: "Packaged Environments" (cont)

- Key Contract Features:
  - *cradle to grave* interior renovation projects
  - established partnerships between A-Es, furniture vendors and general contractors
  - Caution: NO construction agent (unless you hire one); heavy HFO/MDG oversight; only 2 contractors on schedule have healthcare experience
- Fees/Costs: 5-10% of construction costs
- Timeline: varies (project dependent)

O&M Construction Contracts: SABER

- Contracting Office: Base (via CE)
- Contractor: local
- Scope of Contract:
  - general design and construction services
  - up to $7M
- Project Team: Base CE, MDG, MAJCOM, HFO
  - project dependent

O&M Construction Contracts: SABER (cont)

- Key Contract Features:
  - pre-selected contractor(s) ready to work on base projects
  - PM/QA done by Base CE (sometimes)
  - Caution: sometimes ill-defined SOWs; little to no QA; not always ‘healthcare’ experienced
- Surcharges: 5-20% of construction costs
- Timeline: typically <12 mos (on smaller projects)

O&M Construction Contracts: 8A Contractors

- Contracting Office: Base or District
- Contractor: varies by region some w/ healthcare design-build experience
  - Basecom/Beck (Ft Worth TX), KOO Construction (Sacramento CA) & Sumner/BKI (El Reno OK)
- Scope of Contract:
  - design and/or construction services
  - $500K to $7M (if healthcare qualified)
- Project Team: CO, Base CE, MDG, MAJCOM, HFO

O&M Construction Contracts: 8A Contractors (cont)

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- Key Contract Features:
  - must compete/compare three contractors
  - few contractors with healthcare experience
  - Caution: may have ill defined SOWs; little to no QA if not hired oversight
- Surcharges: 5-20% of construction costs
- Timeline: varies (project dependent)

O&M Construction Contracts: "Toolbox"

- Contracting Office: Huntsville & District CoE
- Contractors: BMAR, JJ Kirlin, J&J, Global Engineering
- Scope of Contract:
  - 'healthcare' design & construction services
  - up to $7M+
- Project Team: Huntsville & District CoE, MDG, MAJCOM, HFO

O&M Construction Contracts: "Toolbox" (cont)

- Key Contract Features:
  - Time and materials (T&M) contract
  - 'pre-qualified' contractors w/ healthcare experience
  - can obligate year-end funds quickly (with risks)
  - Caution: ill-defined scopes and T&M can lead to expensive unexpected cost growth; multiple tiered subcontracts can run up to 40% overhead (prime contractor not builder nor designer); must use current year dollars on T&M
- Surcharges: 6-20% of construction costs
- Timeline: 2-3 years

O&M Construction Contracts:

AFMS Design-Build MATOC

- Contracting Office: Ft Worth Corps of Engineers
- Contractors: Turner, Clark, Skanska and UEC
- Scope of Contract:
  - ‘healthcare’ design-build services
  - up to $7M+
- Project Team: **your call**; Ft Worth CoE, MDG, MAJCOM, HFO

O&M Construction Contracts:

AFMS Design-Build MATOC (cont)

- Key Contract Features:
  - projects $750K+ or unique in scope
  - pre-qualified contractors w/ healthcare D-B experience
  - 2 contractors world-wide qualified; 2 others national
  - Caution: requires good planning; need 21-45 days to receive proposals and make award; firm-fixed price contracts
- Surcharges: 6-20% of construction costs (project dependent)
- Timeline: 6 months -2 years

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AFMS Design-Build Multiple Award Task Order Contract ("D-B MATOC")

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MATOC Objectives

1. Develop contract that delivers quality, timely & cost effective projects w/*min impact to staff & patients*

2. Develop contract that offers *ready access* to top-qualified Design-Build contractors *well-versed in healthcare operations, planning, design & construction*

3. Streamline execution, minimize overhead, reduce bureaucracy, and add flexibility to the process

4. Minimize unexpected schedule, cost growth and risk of government liability

Good Contract = Good Execution

- Learn from industry
  - *encourage innovation – is there another way?*
- Develop well-defined projects (solid SOWs)
  - Standardize SOWs & business practices
- Drive leaner project delivery teams
  - zero-in on the talent (right Contractors); cut the middlemen
  - keep the right team on the project
  - promote team ownership of issues & successes

Good Contract = Good Execution (cont)

- Build what we can afford, but plan for fall-out! (not-to-exceed/firm-fixed pricing w/ options)
- Minimize burden on contractor (cut bureaucracy & reduce overhead)
- MTF top cover – manage as a program
- Promote competition (minimize complacency)
  - amongst contract offices & contractors
  - drives favorable pricing and results

AFMS D-B MATOC

- 26 June 04 awarded contract to 4 qualified healthcare design-build firms
  - Clark/Carter-Burgess (MD)
  - Turner/URS (VA)
  - Skanska/HKS (MD)
  - UEC/HWA (MO)
- 5-year contract w/ a $200M capacity

Clark/Carter-Burgess

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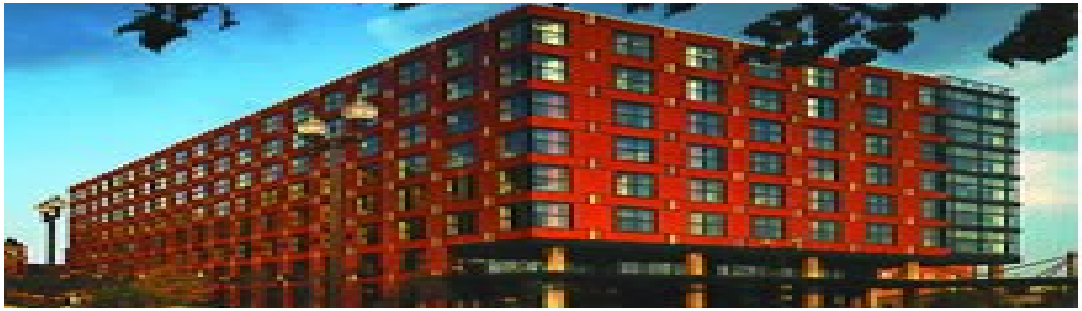
Beacon Eye Institute

ohn Hopkins Outpatient Center



Clark/Carter-Burgess

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Edwards Flight Medicine Clinic

Davis Montham

Turner/URS

University of Florida

Grant Medical Center ($12.7M

Turner/URS

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Dublin Health Campus ($4.5M)

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Skanska/HKS

Multiple Award Construction Contract

Various Military Facilities in the Washington DC Area

Client:
Department of the Navy (EFA Chesapeake)

Value:
$135M Total Program Value

- **25 Task Orders**
- **13 Design-Build Projects**
- **2 Projects-National Naval Med**
  - o **Family/OBGYN Renov ($2.8**
  - o **Garage Alterations ($2.7M)**
- **LEED Experience**
- **Sensitive Information Facilities**
- **Anti-Terrorism Force Protection**

Skanska/HKS

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mprehensive Healthcare Clinic
Iarine Corps Base Quantico ($18M)

Union Hospital of Cecil County
Outpatient Expansion Project ($10M)

Rex Emergency Department
Rex Healthcare ($5M)

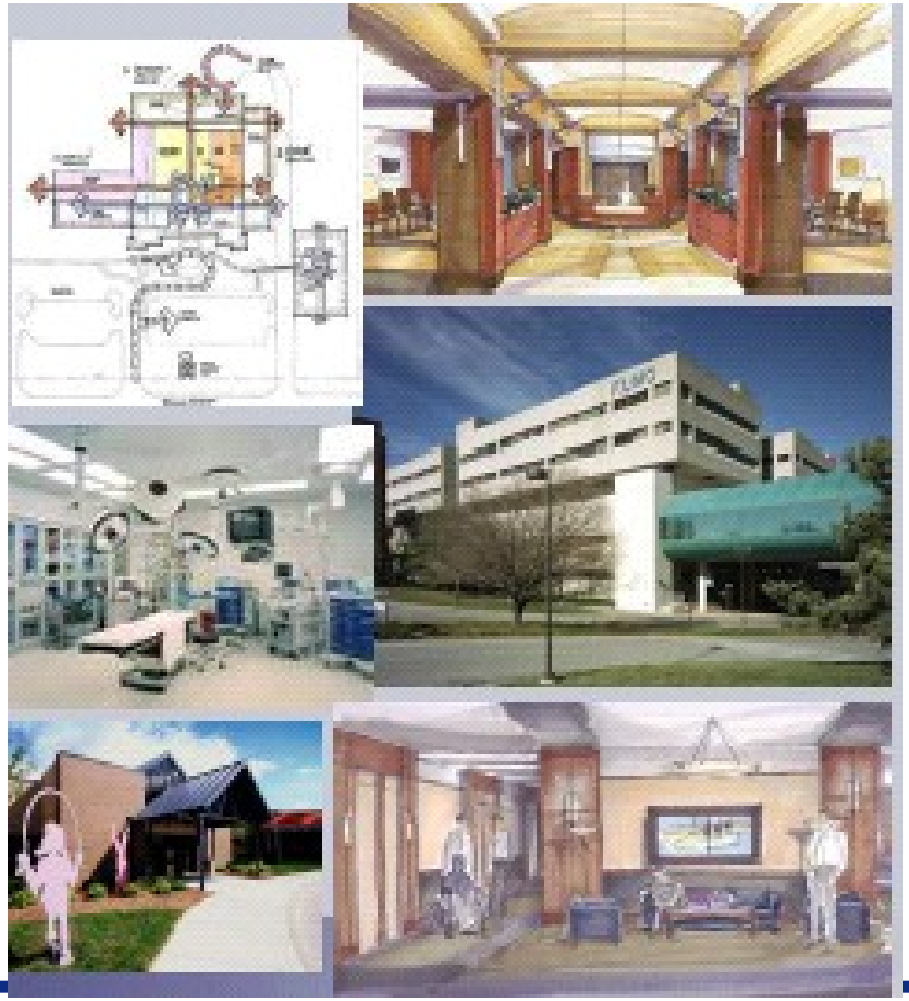
Restoration & Modernization Projects

Washington Co Memorial Hospital - $4.8M

Harlan Co Health System - $4.8M

Kansas University Med Ctr - $58M

North Kansas City Hospital - $4M



UEC/HWA

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Restoration & Modernization Projects

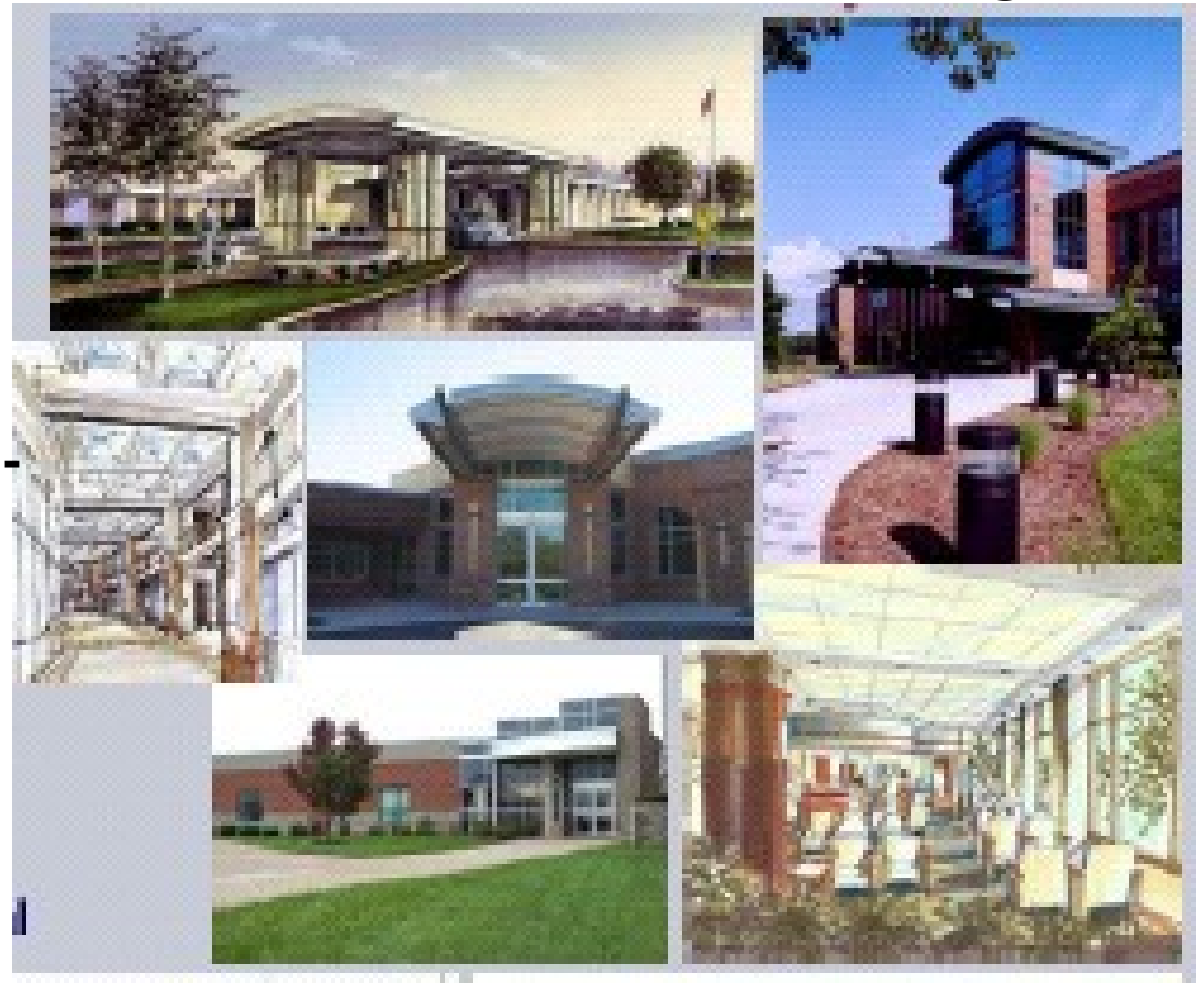
Bates Co Memorial Hospital-$14M

Cedar Co Memorial Hospital-$6M

Republic Co Hospital-$5M

Samaritan Hospital-$4.5M

Ste Genevieve Co Memorial Hospital
Ph 1 - $2.3M
Ph 2 - $6.3M
Ph 3 - $4.3M



D-B MATOC: Scope of Contract

- TOTAL Plan-Design-Build Services
  - cradle to grave project delivery
- Site investigation/development
- Campus/master planning
- Space & equipment planning
- Healthcare design (architectural & engineering)
- Interior design services
- Engineering evaluations/studies
- Infrastructure upgrades
- Construction
- Warranty services
- Project/construction management

D-B MATOC: Contract Team

- Contracting Agent: Ft Worth Corps of Engineers
- Program Manager: HFD (CaT) & Ft Worth
- Customer/User: MTF (FM/DML)
- Project Management: MTF Decides
  - MTF/Contract/CoE/CE
- Technical Support: MTF Decides
  - Contract/CoE/CE/HFO
- Quality Assurance: MTF Decides
  - Contract/CoE/CE/HFO
- Consultant: Health Facility Officer
- Contractors: Designers and Contractors all on staff

D-B MATOC: Key Features

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- Same Contractor **and** Government Team delivers project from design to acceptance

- *Full* complement of design & construction expertise in-house
  - can't broker out work
  - extensive healthcare operations, design and construction knowledge & understands Design-Build project delivery

- Contractor retains ownership (and liability)
  - Performance-based contracts
    - we don't tell him HOW to do his designs or how to build it
  - no "handing off" or "pointing of fingers"
  - Gov't/Medics not held liable for disconnects between design documents and construction requirements
    - minimizes unexpected time and cost growth

D-B MATOC: Key Features (cont)

- The “Contract” = Request for Proposal (RFP) + SOW + Contractor’s accepted proposal
  - Contract is not design drawings and specs
  - Requires good document preparation
- Contractor must finish work started
  - Can’t hire one to plan/design and another to construct
- Government NOT responsible for design adequacy & can’t “approve” design or construction
  - can approve requested deviations only
  - does not “approve technical adequacy”; only ensures conformance to the contract
- Owner responsible for design *parameters* (SOW) and ensuring applicable criteria included in RFP *prior* to task order award

D-B MATOC: Key Features (cont)

- World Wide Qualified
  - 2 contractors do work in Europe, Korea & Middle East
  - May face SOFA obstacles in some countries

- If CoE resources required, MTF pays only for services needed– no more flat rate (6.5%) for uncertain services
  - If CoE provides QA/PM support, then AFMS/MTF can hand pick talent from Districts across the U.S.
  - PgMP and MED

- Success of projects depends on adequate and qualified PM, QAE and Technical support – and it's continuity
  - Contracted PM and QAE
  - Funding is vital, investment drives dividends

D-B MATOC Timeline

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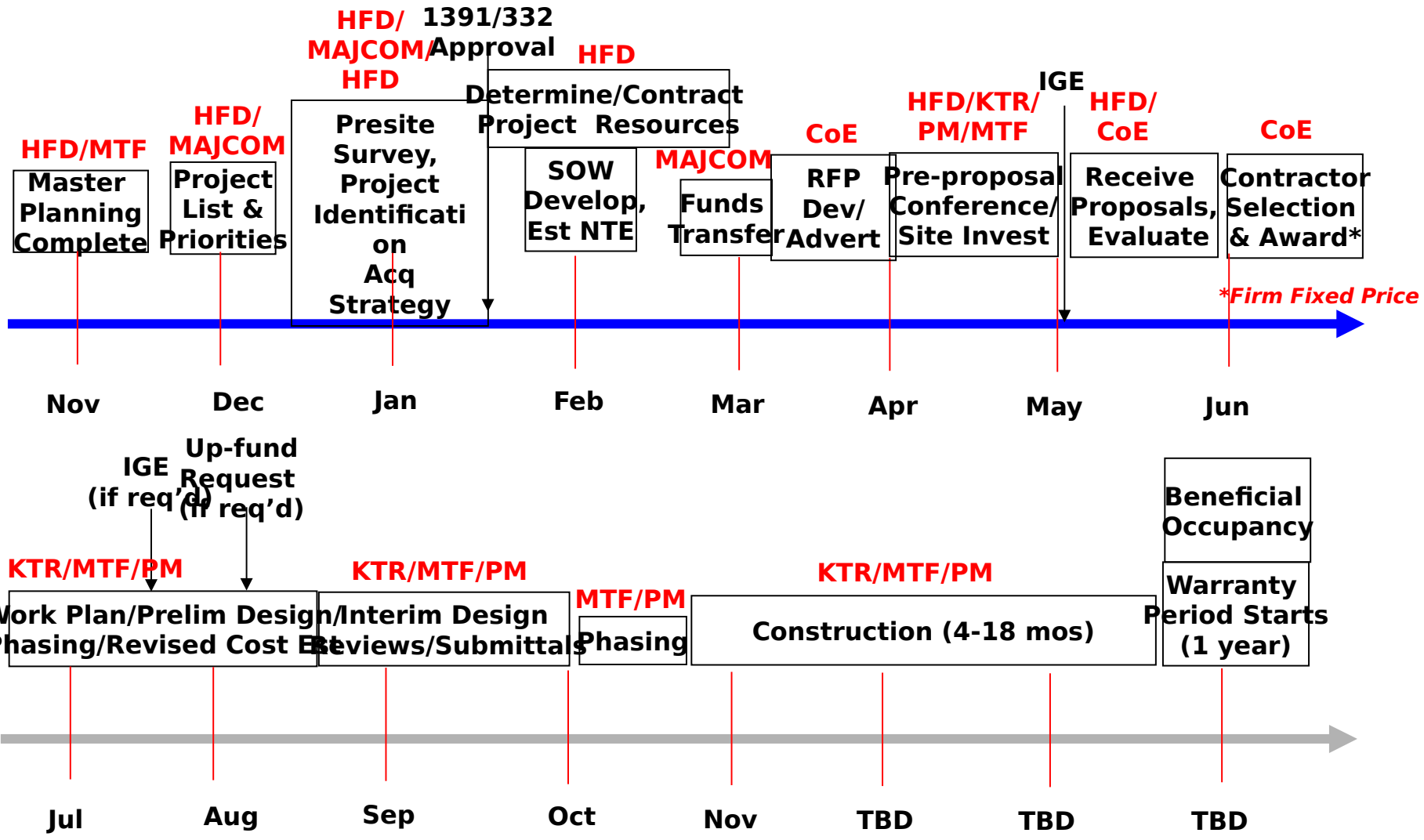

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Summary

- MAJCOMs/MTFs have choices on how to execute projects
- Project requirements should drive contract choice
- HFD working on improving tools/contracts to execute projects
- All projects require select information and right team to execute smoothly

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Questions?

Major Allison Keck
Chief, Construction & Transition
(D-B MATOC Program Manager)
Health Facilities Division
#210-536-4147 (DSN 240)

or

Major John Wrockloff
Chief, Operations and Engineering Programs
Health Facilities Division
#210-536-4011 (DSN 240)